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SUBJECT: A GLIMPSE OF URBAN POVERTY IN TURKEY

- 11. (Sbu) Summary: With the USG about to disburse \$9 million to supplement a social welfare project providing cash payments to poor mothers who keep their children in school, and with \$6 million in the pipeline from the Department of Labor with similar objectives to combat child labor, econoffs met with the sub-governor of Ankara,s poorest municipality and visited a primary school and a girl,s vocational high school. The primary school in particular provided a snapshot of the social challenge of urban poverty in Turkey. It is run-down, understaffed, overcrowded and surrounded by dilapidated housing. Sub-Governor, principals, teachers and parents were unanimous in valuing the impact of the project the U.S. will help fund; they only wish the benefits could be rolled out more quickly to all eligible families. End Summary.
- $\P 2.$ (Sbu) USAID/Washington is working with the World Bank to finalize a grant of \$9 million in ESF funds to support the Turkish Social Solidarity Fund, s Conditional Cash Transfer (CCT) project. (The Social Solidarity Fund is Turkey's social welfare agency.) This project, also supported by a \$277.7 million loan from the World Bank, targets the poorest 6 percent of Turkish families by providing cash payments to parents (usually mothers) if they keep their children in school. Note: As a grant, the U.S. contribution will go directly to beneficiaries and will not contribute to Turkey's public debt burden. End Note. Another component of the project will make payments to poor parents who get their infants vaccinated, and a third component, just underway, is to make payments to mothers who follow a schedule of neo-natal check-ups. Though it took some time to set up the elaborate system of nationwide application, monitoring and payments, the project has been rapidly expanding in 2004 with 866,467 beneficiaries as of September, 2004: 590,575 from the education component and 275,892 from the health component. the health component. For each girl attending high school, a qualifying family receives the equivalent of \$23 per month, with lesser amounts for boys, and for primary school students.

Altindag Municipality:

- 13. (Sbu) Econoffs recently visited Altindag Municipality, the poorest of the seven municipalities in Ankara, in order to get a sense of the project, simpact in poor neighborhoods. Qualification for the project depends on families meeting a set of poverty criteria, such as number of children and elderly in the household, family members, employment status, condition of housing. Not surprisingly, the heaviest users of the project are the poor sections of big cities, including Ankara and Istanbul, as well as cities like Gaziantep, Van and Diyarbakir in eastern Turkey. In fact, the most recent data shows 122,084 families are eligible in Southeastern Anatolia alone, versus 208,102 families in all other regions combined. Social Solidarity Fund officials told us they are not targeting any particular region, but the much larger numbers of poor people in the Southeast have resulted in much larger numbers of qualifying beneficiaries under the project,s poverty criteria.
- 14. (Sbu) Econoffs met first with Altindag Sub-Governor (Kaymakam) Mustafa Altintas, who provided an overview of his municipality, particularly its social needs. Altindag covers a large area in central Ankara, including the old city with its bustling commercial activity, Roman ruins and early republican-era buildings. According to municipal statistics some 80% of Altindag,s population is housed in &gecekondu8 dwellings, sloppily-constructed houses whose owners often lack title for the property on which they are located. The 2000 census put Altindag,s population at 400,000, though the Sub-Governor stressed that during the daytime the population probably exceeds one million people because so many people work in the district and live elsewhere.
- 15. (Sbu) In addition to the CCT project, the Sub-Governor said the municipality provides food packages to about three

thousand poor families. About fourteen thousand families receive coal for home heating. (The prevalence of soft coal for home heating, long a major cause of air pollution in Ankara, causes a layer of black smog to be visible over the valley in which Altindag lies.) According to the Sub-Governor, social problems such as criminality, prostitution, drug use and alcoholism are rife among Altindag,s poor, a comment reiterated by parents and teachers and the primary school we visited. When asked whether Turkey,s economic recovery is beginning to be felt in Altindag, the Sub-Governor said he had yet to see signs of this, though he admitted Altindag,s situation might not be representative. He pointed out that, unlike other sections of Ankara, Altindag has little industry, except for one furniture-making district. Anecdotally, he was aware of cases in which applicants for social welfare assistance say that they used to have businesses but were bankrupted in the 2001 crisis.

Project,s Popularity Leads to Processing Backlogs:

- 16. (Sbu) The Sub-Governor seemed genuinely enthusiastic about the project, viewing it as an important pillar of his municipality,s efforts to help its poorest citizens. 5,500 families have applied for the CCT project assistance in Altindag. So far only 2,250 have qualified but this number is likely to increase once the Social Solidarity Fund works through a backlog of unprocessed applications. Indeed, everyone we met*from the Social Solidarity Fund officials who manage the project to the Sub-Governor to the school principals to parents*were unanimous that the CCT project,s biggest problem is working through this backlog. The project, s nationwide statistics also show large disparities between the number of applicants and the number of beneficiaries, which the Social Solidarity Fund attributes to the processing backlogs. The project is a victim of its own success: as its publicity campaign took off*the project,s posters were prominently displayed at the municipal building*poor families couldn,t get onto its rolls fast enough. The Sub-Governor told us the municipality has begun having night shifts for the clerical workers who input the data to the handful of computers the municipality has for this purpose. He brought us to the cramped office where university students, employed for this purpose, were receiving applicants and processing applications.
- 17. (Sbu) Yadigar Gokalp, the US-educated director of the Social Solidarity Fund who accompanied us, is so keen to find ways to process applications faster that she asked the principal of the vocational school we visited if they could work out an arrangement for the students to input application data on the school,s computers, both to earn money and as a computer-training project. The World Bank official responsible for CCT told econoff the backlog problem is likely to taper off as the processors work through the initial flood of applicants. Moreover, the labor-intensive monitoring process, whereby the local charitable foundation staff go to the homes of applicants, will transition to sampling, rather than 100 percent monitoring. He said the project has found only minimal application fraud, particularly in rural areas, which would justify a lower percentage sampling in the countryside than in cities.

Yenidogan Primary School:

- 18. (Sbu) The highlight of the afternoon was the visit to Yenidogan primary school, where econoffs were literally mobbed by hundreds of students in the small, paved courtyard of the school*the only play area. The building was rundown and overcrowded. The school is one of 76 primary schools in the municipality that have a total enrollment of 61,101 pupils, taught by 2,428 teachers. Whereas at the primary school level the gender breakdown is 51-49 (boy-girl), at the high school level the proportion of girl pupils falls to less than 46 percent. One of the key goals of the project is to increase continuation rates for girls by making higher cash payments to families whose girls stay in school, with the highest payments reserved for families with high school-level girl students.
- 19. (Sbu) The principal of the primary school told us there were only thirteen classrooms and forty-eight teachers for a school with 1700 pupils. He said there are often over fifty children in a classroom. The Social Solidarity Fund officials told us that the families of most of the students at the school*1600 out of 1700*had applied for the CCT benefits. The principal, teachers and parents from the parents, association, all provided anecdotes about how the project helped local poor families. They said there were many examples of kids staying in school because of the payments. Asked whether the payments helped women, since the payments go to the mothers unless there is no mother in the household, the parents were confident that they helped poor mothers feel more financially secure and less dependent on their husbands for money. One teacher said he could see the

difference: kids are more likely to get clothes and shoes and parents are paying off debts.

110. (Sbu) The evident poverty of the neighborhood and decrepitude of the school may be why the Sub-Governor particularly wanted us to see it (and other Altindag elementary schools may not be as bad*we saw one from the outside that looked in much better condition). Social Solidarity Fund officials told us that school staff*not janitors*had to clean the school due to lack of funds. Gokalp told us that in addition to the processing backlog problem, the biggest problem she runs into is schools crying out for funding for improved facilities, more teachers, etc. Of course, these are outside the scope of the project. Girls Vocational School Looked Better:

 $\P11$. (Sbu) After the primary school, econoffs visited Yildirim Beyazit Girls, Vocational high school. Compared to the primary school, this school seemed in far better shape, though certainly far from being modern or well-equipped. spoke with two girls whose families are recipients of CCT funds, one of whose father is a market-seller and the other who is fatherless. Both came from large families: one had 5 siblings and the other 6. At the primary school, though the parents on the parents, committee all had only 2 or 3 children, they said many of the other families had 5 or 6 Note: Turkey,s population growth and fertility rates have fallen dramatically over the past generation. According to a Turkish population expert who has consulted for USAID, over the past decade the population growth rate has fallen from 2.8% to 1.5% and the fertility rate from 3.5% to 2.3%. Not surprisingly, birth rates are higher in poor neighborhoods like Altindag. End Note.
112. (Sbu) The girls school had a small library (though the books looked old), and two rooms for computer training (the computers also looked old). The students were in the midst of an election campaign for student government, and the walls were plastered with posters bearing campaign slogans.

Comment:

113. (Sbu) Though the World Bank and IMF have endeavored to preserve social sector spending in a context of fiscal austerity, clearly Turkey,s schools have suffered from population growth surpassing budget growth. What we saw in Altindag, if it is representative, suggests that the CCT project is playing a useful role in helping Turkey,s poorest, and empowering women and girls. The \$9 million U.S. grant advances U.S. objectives in Turkey, by providing direct assistance to the poorest people in the country. Post intends to publicize the U.S. role as much as possible, to help counter many ordinary Turks' perception of the U.S. as focused on the geostrategic dimension of bilateral ties or linked to IMF-mandated austerity. At the same time, our visit to Altindag served as a reminder of the significant development challenges Turkey faces, even in a district only a few miles from Parliament, the very district in which the republic was founded.

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